

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2014-____-W

In Re:)
)
Application of Carolina Water Service,)
Inc. for Approval of an Agreement for)
Water Service for the Coves on River)
Oaks Subdivision, Phase 4, York)
County, South Carolina)

Carolina Water Service, Inc. hereby applies to the Public Service Commission of South Carolina ("Commission") for approval of a Water Service Agreement by and between Carolina Water Service, Inc. ("Applicant" or "Carolina Water"), and a developer, May Green Properties, LLC ("May Green Properties"). In support of this Application, the Applicant would respectfully show unto the Commission the following:

1. Applicant is a public utility currently authorized to operate water and wastewater systems under the jurisdiction of the Commission in the County of York, South Carolina. Its corporate charter is presently on file with the Commission and an appropriate bond has been posted with same. A schedule of rates and charges for Applicant's service has previously been authorized by Commission Order 2014- 207 issued March 4, 2014 in Docket No. 2013-275 –WS.

2. Applicant's representatives for purposes of this Application are:

a. Legal Representative:

Scott Elliott, Esquire
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, SC 29201
Tel.: (803) 771-0555
Fax: (803) 771-8010
selliott@elliottlaw.us

b. Company representative:

Richard J. Durham
President
Carolina Water Service, Inc.
151 Old Wire Road
West Columbia SC 29172
Tel.: (800)272-1919
Fax: (803)791-8643
rjdurham@uiwater.com

3. The Applicant operates potable water production, treatment, storage, transmission and distribution systems ("water systems") and sanitary wastewater collection, treatment and effluent disposal systems ("sewer systems"), which are located in and serve various parts of the State of South Carolina including York County.

4. May River Properties is the developer of ten (10) residential lots ("Development") containing approximately 14 acres located on River Oaks Road at its intersection with Pole Branch Road, in Lake Wylie, South Carolina in York County.

5. The Applicant has water service available to serve the Development.

6. The Applicant and May River Properties have negotiated a Water Service Agreement in which Carolina Water Service will provide water service to the Development. In turn, May River Properties will construct and install water distribution facilities necessary to serve the Development according to the terms and conditions of the Water Service Agreement. A copy of the Water Service Agreement dated August 26, 2014 is attached hereto as Exhibit "A."

7. The Applicant seeks an order of this Commission authorizing the Applicant to record its project costs associated with the Water Service Agreement with May Green Properties as utility plant in service additions, subject to review and audit by the Office of Regulatory Staff in the Applicant's next rate proceeding.

8. The Applicant submits that the public convenience and necessity will be served by the approval of this Agreement and respectfully requests that the Water Service Agreement be approved by this Commission. The Applicant further submits that given the nature of the agreement between the Applicant and May Green River, no hearing in this matter is required.

WHEREFORE, the Applicant respectfully requests that the Commission issue its order:

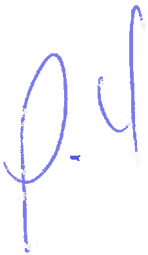
A. approving the Water Service Agreement between Carolina Water and May Green Properties; and

B. granting such other and further relief as this Commission deems just and proper.



Scott Elliott, Esquire
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Columbia, South Carolina
September 23, 2014



COPY

AGREEMENT FOR WATER SERVICE
THE COVES ON RIVER OAKS SUBDIVISION
PHASE 4
YORK COUNTY, SC

This Agreement is entered into this 26th day of August, 2014 by and between May Green Properties, LLC, existing under the laws of the State of North Carolina and authorized to do business in South Carolina (hereinafter referred to as "Developer"), and Carolina Water Service, Inc., a Delaware corporation authorized to do business in South Carolina (hereinafter referred to as "Utility").

WITNESSETH

WHEREAS, Developer is the owner of ten (10) lots containing approximately 14 acres (Tracts number 110 - 119), which are located on River Oaks Road at the intersection with Pole Branch Road, Lake Wylie, South Carolina 29710, hereinafter referred to as the "Property" (see "Exhibit 1"); and,

WHEREAS, Developer desires to develop the Property into a residential development ultimately consisting of ten (10) single family residences, having an estimated daily water usage of 4,000 gpd; and,

WHEREAS, Utility is a public utility engaged in the business of furnishing water and sewer service to the public in its designated River Hills / Lake Wylie Franchised Service Territory located in York County and Property is located within the service territory; and,

WHEREAS, Utility desires to have constructed and installed, and the Developer desires to construct and install, the water distribution facilities to serve the Property subject to the terms and conditions of this Agreement; and,

WHEREAS, Developer desires Utility to provide water utility service within the Property and Utility desires to provide water utility service according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

Representations and Warranties of Developer

Developer represents and warrants that:

1. Developer is the owner of or is duly authorized to act on behalf of the owner(s) of the Property; and,

2. Developer will cooperate fully with the Utility in any and all applications or petitions to public authorities deemed necessary or desirable by Utility in connection with the construction and installation of the Facilities contemplated by this Agreement; and,
3. Developer will convey to the Utility or otherwise vest in the Utility such right, title and interest in and to such real estate as may be reasonably necessary to permit the Utility to carry out the terms and conditions of this Agreement; and,
4. Developer will convey to Utility or provide by recorded subdivision plats such easements or rights of way as the Utility may reasonably require for the Utility's performance of its obligations under this Agreement. Any such plats, conveyances or licenses will be in form reasonably satisfactory to Utility's legal counsel.

ARTICLE II

Obligations and Construction of Facilities by Developer

1. Facilities

Developer shall construct and install any additional necessary water distribution facilities to serve the Property, including but not limited to mains, valves, fire hydrants, service laterals, meter boxes, meters, and other facilities as are reasonably required to provide adequate water service not previously installed (hereinafter referred to as the "Facilities"). Water distribution mains will have a minimum diameter of eight (8) inches, except where otherwise approved by Utility. Developer shall connect to existing water mains already installed on the site providing water service to the property at a point to be determined by the Utility. All materials used by the Developer for said Facilities shall be new, first-class, and suitable for the uses made thereof. Developer guarantees all construction, materials, workmanship, and the trouble-free operation of the Facilities (or any portion of the Facilities) for one year after the Facilities (or such portion of the Facilities) are placed in service.

2. All Facilities constructed and installed by Developer pursuant to this Article II shall be constructed and installed without cost or expense to Utility.
3. All plans, specifications and construction of the Facilities shall be in accordance with applicable standards, requirements, rules and regulations of all governmental bodies and regulatory agencies which may have jurisdiction there over, and shall have received the written approval of Utility before construction is begun, which approval shall not be unreasonably withheld or delayed.
4. Developer shall save and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property that may occur in the course of

the performance of the construction of the Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees.

5. Developer shall obtain, with cooperation from Utility, all requisite permits and zoning and other approvals and all else required to construct the Facilities, without cost or expense to Utility.
6. Upon written acceptance of the Facilities by the Utility and interconnection with the Utility's existing water system, all of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed up to and including the water meter and box, without cost or expense to Utility, with the exception of the service lines to each single family residence, for which the owner shall retain ownership and maintenance responsibility. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in its opinion to ensure its ownership of, ready access to, and operation and maintenance of the Facilities. Developer shall furnish Utility with lien waivers in a form reasonably satisfactory to Utility's legal counsel from Developer and from all suppliers, subcontractors and all other who furnish labor, equipment, materials, rentals, or who perform any services in connection with Facilities construction herein. Developer agrees to provide to Utility documentary evidence, in form satisfactory to Utility, sufficient to establish the original cost of the Facilities. Utility shall have, at all times, all right, title and interest in and to the Facilities.
7. Developer shall not have the right to connect individual lot service connections to the Facilities until such time as the Facilities have been formally accepted by the Utility, written approvals have been received from all governmental bodies and regulatory agencies which may have jurisdiction there over, and all applicable connection fees have been paid.
8. All connections must be inspected by the Utility prior to backfilling and covering of any pipes. Written notice to the Utility requesting an inspection of a connection shall be made at least forty-eight (48) hours in advance of the inspection, excluding weekends and official Utility holidays.
9. Should the Developer fail to comply with the foregoing inspection provisions, Utility may refuse service to a connection until such time as the appropriate inspections have been completed.

10. Prior to the transfer to Utility of the Facilities, Developer shall grant permanent, assignable easements satisfactory to Utility, without cost or expense to Utility, authorizing Utility to own, operate and maintain the Facilities throughout the Property and providing reasonably adequate rights of access and working space for such purposes.
11. Prior to the transfer to Utility of the Facilities, Developer shall provide to Utility as-built drawings and all other information (by both hard copy and electronic copy) that is reasonably required to operate, maintain, and repair the Facilities.
12. Developer shall pay to Utility a nonrefundable Plan Review Fee of one thousand dollars (\$1,000) for Phase 4 of the development and a five hundred dollar (\$500) Inspection Fee. Should the Facilities require additional inspection(s) due to improper installation, or defective or unapproved materials, the Developer shall pay five hundred dollars (\$500) for each additional inspection required. Future phases, covered by subsequent agreements, shall also require additional inspection fees.
13. Upon Developer's satisfaction of its obligations under this Agreement, Utility agrees to reserve adequate utility capacity for up to ten water connections located within the Property.
14. Developer shall pay and deliver to Utility the sum of money which is the non-recurring service connection and plant impact fees ("Tap Fees") provided for under Utility's rate schedule, as approved by the Public Service Commission of South Carolina and as amended from time to time, multiplied by the Single Family Equivalent ("SFE") rating set forth therein. For the project that is the subject of this Agreement, that sum shall be a nonrefundable fee of seven thousand dollars (\$7,000.00) which is based upon an estimated ten (10) SFE's and the Utility's current rate schedule. Tap Fees, Plan Review Fee and the initial Inspection Fee, totaling eight thousand five hundred dollars (\$8,500.00), are due upon execution of this agreement. Should it be determined that the project contemplated by this Agreement consists of a greater number of SFEs than is estimated hereinabove, then in that event Developer shall be required to pay an additional sum to Utility for each additional SFE using the calculation provided hereinabove conditioned upon first receiving the approval from Utility for such increase in SFEs. In addition, Developer agrees that it will not represent to any third party that utility service is available from Utility for use within the proposed development except (1) upon Developer's payment of the Tap Fees as provided hereinabove, and (2) establishment of service and an account between said third party and Utility, including payment of all fees and charges authorized under the Utility's approved rate schedule excepting tap fees.

ARTICLE III

Other

1. By application of a restricted land covenant, Developer will not permit any owner of real estate within the Property to construct or maintain any private well within the Property.
2. Neither Developer nor any entity or individual affiliated with Developer has executed or will execute any agreement with any lot purchaser in the Property or any other parties or made any representations to any such purchasers or other parties hereunder that such purchaser or other parties have acquired any interest in Facilities to be installed under this Agreement.

ARTICLE IV

Utility Services, Connection Fees, Rates and Charges

1. Prior to the commencement of utility service to any lot within the Property, lot owners within the Property are responsible for the payment to Utility of all applicable water and sewer fees, as well as all applicable York County water and sewer tap-on or service fees as amended from time to time and at the rate then in effect. Such fees, usage and all other incidental rates and charges shall be rendered by Utility in accordance with Utility's rates, rules and regulations and conditions of service on file with the South Carolina Public Service Commission (the "Commission"), as amended from time to time and then in effect. Capacity shall not be reserved for any lot, out parcel, commercial space or building for which the tap fee has not been paid.
2. Upon installation and acceptance of the Facilities and payment of all applicable connection fees, Utility agrees to supply all customers within the Property with adequate and customary water service and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all regulatory authorities.

ARTICLE V

Commission Approval

1. Within thirty (30) days following the execution of this Agreement, Utility will file an application with the Commission requesting approval of this Agreement, in conformance with Commission rule. Developer agrees to cooperate with Utility in any proceeding resulting from such application and to reimburse Utility its reasonable

attorney fees, costs and litigation expenses incurred for such filing, and in addition, in the event such application is litigated by the Office of Regulatory Staff or opposed by third parties. All terms and conditions contained herein are subject to Utility receiving said approvals from the Commission.

ARTICLE VI

General

1. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence, such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.
2. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
3. The representations, warranties and agreements contained herein shall survive, and continue in effect. Developer agrees to indemnify Utility, its successors and assigns, and hold it and them harmless against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
4. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing.
5. Notices, correspondence and invoicing required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility:

Carolina Water Service, Inc.
151 Old Wire Road
West Columbia, SC 29172
Attn: Richard Durham, President

With copy to:

Carolina Water Service, Inc.
2335 Sanders Road
Northbrook, Illinois 60062
Attn: John Stover, General Counsel

If to Developer:

May Green Properties, LLC
6121 Charlotte Hwy
York, SC 29745
Attention Tom Smith

Delivery when made by registered or certified mail shall be deemed complete upon mailing. Delivery by overnight courier shall be deemed complete when delivered.

6. This Agreement may not be assigned by Developer without the written approval of Utility, which approval shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
7. This Agreement shall be governed by the laws of the State of South Carolina.
8. If this Agreement is not executed prior to August 29, 2014, then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the parties hereto have set their seals the day and year above first written.

Carolina Water Service, Inc.

[Signature]
By: Mr. Rick J. Durham
Its: President

Attest/Witness:

1) [Signature]
MALCOLM MITCHELL, Regional Manager

2) [Signature]
~~Bob Gilroy, Vice President~~

2) [Signature]
BOB GILROY, Vice President

May Green Properties, LLC

[Signature]
By: Timothy E. Smith
Its: Member / Manager

Attest/Witness:

1) [Signature]
(Print name and title) Charles Redmond, AVP

2) [Signature]
(Print name) Shari W. Helton

STATE OF South Carolina)
COUNTY OF York)

PERSONALLY appeared before me the undersigned witness and made oath that he saw the within named Timothy E. Smith as Member/Manager of May Green Properties LLC sign, seal and as its act and deed, deliver the within written agreement for the uses and purposes therein mentioned, and that s/he with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this

11th day of August, 2014.

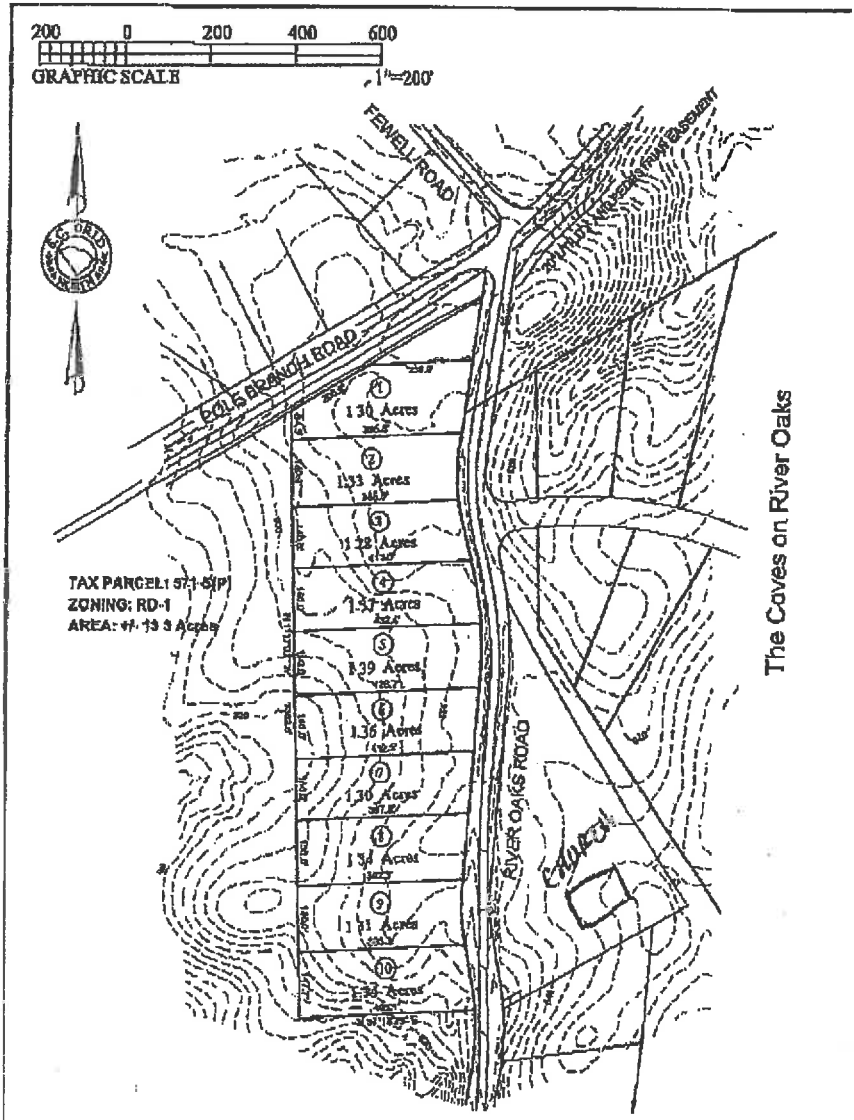
[Signature]
Witness

[Signature]
Notary Public for SC

My Commission Expires: 03-03-2018

[seal]

RIVER OAKS PHASE 4
EXHIBIT 1



SKETCH PLAN
MAY GREEN PROPERTIES LLC
YORK COUNTY SOUTH CAROLINA

BAIRD ENGINEERING, INC.
SURVEYORS • ENGINEERS • PLANNERS
3219 Bald Road
Clover, S.C. 29710
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bairdengr@aol.com
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